

Title 210 - NEBRASKA DEPARTMENT OF INSURANCE

Chapter 37 - RULES FOR THE DETERMINATION OF OVERDUE PREMIUMS OTHER THAN LIFE INSURANCE PREMIUMS

~~001. Authority. These regulations are promulgated pursuant to the authority granted in Sections Neb.Rev.Stat. §44-101.01, §44-401-44-409 and §44-414 R.R.S. 1943.~~

~~002. Purpose. The purpose of this regulation is to define overdue premiums which must be treated as assets not admitted on an insurer's financial statement.~~

~~003. Accident and health. Overdue premiums include accident and health premiums 90 days past due and, on other than group, any premiums in excess of one periodic premium due and unpaid in the case of premiums payable more frequently than quarterly.~~

004. Property and casualty.

004.01 ~~The following are considered to be overdue premiums;~~

~~004.01A Original, deposit and renewal premiums on policies and bonds effective more than 90 days prior to the date of determination.~~

~~004.01 B Premiums covering endorsements on which the effective dates were more than 90 days prior to the date of determination.~~

~~004.01 C Installment premiums due more than 90 days prior to the date of determination. (if any installments are overdue, all of the unpaid installment premiums on the same policy or bond should be classified as overdue.)~~

~~004.01 D Audit and additional earned premiums determined by audits made more than 90 days prior to the date of determination, or charged upon assured's payroll statements received more than 90 days prior to the date of determination.~~

~~004.01 E Audits and additional earned premiums determined by audits covering periods expiring more than 180 days prior to the date of determination. (The dates when the periods expire should be determined by the provisions of the insurance contract. For instance, if under a policy which provided for quarterly interim adjustments of premiums, adjustments were only made semi-annually, the last date of the first fiscal quarter should be employed to determine whether the premiums were overdue.)~~

~~004.02 When original, deposit, endorsement or audit premiums are overdue, all premiums subsequently charged on the same policies or bonds should be classified as overdue, except that if such overdue premiums do not exceed 20% of the subsequently charged premiums on the same policies or bonds, such subsequently charged premiums, if otherwise underdue, shall be allowed as admitted assets.~~

~~004.03 When original, deposit, installment, endorsement or audit premiums on a policy or bond are overdue, all premiums charged on policies or bonds issued as renewals should be classified as overdue, except that if such overdue premiums do not exceed 20% of premiums charged on renewals of policies or bonds, the renewal premiums, if otherwise underdue, shall be allowed as admitted assets.~~

~~004.04 Premiums resulting from an experience modification should be considered as admitted assets, provided that no more than 90 days has elapsed since such modification has been received from a rating organization, or not more than 90 days has elapsed since the modification has been calculated by the insurer. However, in no event should premiums resulting from an experience modification be considered as admitted assets if more than 180 days has elapsed since the effective date of the policy to which they apply, or if premiums on the same or prior policy are overdue in accordance with these rules.~~

~~004.05 Additional premiums developed through the application of a retrospective rating formula and which have been billed to the insured in accordance with contractual provisions, should be considered as admitted assets, provided that not more than 90 days has elapsed since the billing date and not more than 180 days has elapsed since the accounting date set forth in the insurance contract. Additional retrospective premiums should not be allowed as admitted assets if premiums on the same or prior policy are overdue in accordance with these rules.~~

~~004.06 Premiums collected within 45 days subsequent to the date of determination may be considered as admitted assets, provided that not more than 90 days had elapsed from the billing date to the date of determination and not more than 135 days had elapsed from the effective date to the date of determination.~~

~~004.07 In addition to the above, an insurer may take additional credit by offset to amounts which would have otherwise been non-admitted when the insurer holds deposit premiums, return premiums due, premium refunds due, or retrospective credits due to the same insured.~~